

WORKER- OWNED PLATFORM CO-OPS AND A MODEL FOR THE SOCIAL GOOD

A Report by

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1.

INTRODUCTION

Historically, marginalized workers have combined their resources and operated democratically operated cooperatives that circulate capital and profits throughout the community¹. Truly democratic cooperatives have inclusive memberships where each member gets to vote on the organization's direction². Cooperatives exist in all business sectors, including the gig economy³. The "gig" economy, or using digital platforms to perform business transactions between sellers and consumers, is a part of the larger digital economy⁴. The transactions are usually temporary (temporary homes (Airbnb), temporary rides (Uber)), and market underutilized assets direct to consumers⁵. The gig economy is not known to protect its workers or pay fair wages⁶⁷. Worker-owned platform cooperatives vote on ways to share profits amongst their members. The current business model of the gig economy is at odds with the foundations of the cooperative movement. Because the solidarity economy is a relatively new phenomenon in the digital space, very few rules or regulations govern the field of companies and organizations that claim to be apart⁸. Existing in a new space can be exciting, but it can also be daunting and confusing. Without clear political guidelines and technical standards, what these entities are and are not can be unclear. As platform cooperatives continue to grow in the digital economy, there has been some question about defining "platform" cooperatives. While there are clear definitions of a cooperative, the rules and definitions could be more precise regarding the competitive and often cutthroat digital economy. What constitutes a worker-owned platform cooperative has yet to be determined⁹.

The legal and economic specifications to preserve the integrity of cooperatives in digital cooperatives are being debated by scholars worldwide. There is a concern that too many people who are not rooted in the cooperative movement will infiltrate and create rules and regulations that are not in alignment with original cooperative values¹⁰. Business and legal scholars are growing interested in developing technical standards and certifications for platform and data cooperatives¹¹. By definition, platforms in the digital gig economy determine the value of work and, by extension, the workers¹². As the world works to redefine "normal" in the aftermath of the COVID-19 pandemic, worker-owned platform cooperatives can lead the way to a fairer economy¹³. Platform cooperatives exist when the world needs a new way to do things. Platform cooperatives ask, can you make social, economic, and political change while operating in a capitalist structure?

Proponents of the gig economy support it because gig work is accessible due to the low barrier to entry, the ease of the work, and the

variety of platform applications that offer work opportunities¹⁴. Nevertheless, gig work has many criticisms, including controlling workers without a formal labor contract and inconsistent discrimination policies¹⁵. Several lawsuits exist about how gig workers should be classified¹⁶. In the United States, Assembly Bill 5 in California classifies all gig workers as employees of gig companies¹⁷. Classifying these workers as independent contractors has allowed ride-sharing companies, Uber and Lyft specifically, to avoid paying over 400 million in unemployment insurance¹⁸. These companies have used their financial and political influence to maintain the status quo and prevent gig workers from organizing and demanding fair wages¹⁹. In addition to unfair labor practices, gig companies, in particular, have been known to exploit their drivers and contribute to the increase in pollution and traffic in some of the more densely populated areas²⁰.

This paper suggests that the social good framework could be a guardrail for platform cooperatives experiencing rapid growth in the digital economy and contemplating this question. Social work scholar Michalle Mor Barak describes the social good framework as “an organizing construct to articulate the juncture between systems of change in society such as grassroots and nonprofit organizations, governmental agencies, and business organizations.”²¹(page 140). The three social good domains are diversity and social inclusion, environmental justice and sustainability, and peace, harmony, and collaboration²². The social good framework is primarily concerned with widespread access to needed services, improved equity for women and minorities, and improving the environment²³. As a concept, the social good framework puts human relationships at the forefront, which are at the foundation of the original cooperative movement.

In keeping with the original spirit and intent of the cooperative movement, this paper suggests that platform cooperatives should work towards using the social good framework as a guide and a standard to measure their progress. This model is helpful because it can provide a tangible guide for progress as these organizations attempt to scale up. It is also flexible and pragmatic enough that organizations can maintain their identities and are free of rules and guidelines that could stymie healthy growth and development.



2.

LITERATURE REVIEW

Worker-Ownership and Worker Outcomes

Worker-owned platform cooperatives are considered a type of democratic employee-owned business. Democratic workplaces, which allow for more worker input and collaboration, report greater job satisfaction than traditional hierarchical work environments and are known to improve workers' quality of life by promoting economic inclusion and workplace participation²⁴. When considering the concept of "dignified work," it is important to consider the role organizations play in perpetuating inequalities²⁵. Within organizations, social relationships where some workers claim supremacy over others and organizational policies and customs legitimize said supremacy in the organization leads to inequality²⁶. Democratic workplaces are considered dignified jobs compared to nondemocratic workplaces because research shows they improve their workers' quality of life and pay more than the living wage²⁷. Dignity in the workplace is a way of recognizing the inherent worth and value of every position, and value is determined by the way people treat and are treated by others²⁸. When considering the concept of "undignified work," the role of the frontline worker can be reduced to remedial tasks with very few opportunities to be creative and contribute their ideas to the organization²⁹.

Studies show that workers appreciate employee- ownership and the nonwage benefits they accrue while working in these organizations³⁰. The wealth-sharing model of employee- ownership has the foundation for creating an inclusive climate and environment. An inclusive climate is where employees perceive organizational policies and practices that ensure workers are accepted and receive equal and fair treatment³¹. The democratic nature of the workplace "nurtures prosocial values like altruism, empathy, and reciprocity" ³²(page 10). The employee-ownership literature discusses a layer of peer-to-peer accountability, mitigating the possibility of a "free rider," an employee who works less than their peers and reaps the same reward level³³. Free riding is usually a symptom of lower worker engagement³⁴. Employee work behavior can be colored by their motivation to complete the tasks associated with their job³⁵. Employee motivation is based on desire, personality, and the type of work the employee is tasked with completing³⁶. When employees have a job that they perceive as purposeful and meaningful, they are more likely to remain engaged in the work and invest in positive outcomes³⁷.

The employee-owned business model is notable because employees can own shares in the business³⁸. The ownership percentages depend on the type of employee-owned business³⁹; nevertheless, employee owner-

ship allows workers to share in the company's profits⁴⁰. Employee-owned businesses tend to be more stable than traditional businesses and usually report lower turnover⁴¹. Employee ownership allows workers to dictate workplace culture and goals, which creates an environment where workers receive more work-related training, scheduling flexibility, and worker safety protocols⁴². Employee ownership is tied to increased worker engagement as they align their economic interests with the performance of the business⁴³. Mission-driven employee-owned businesses have a reputation for being socially and environmentally conscious and are likely to be classified as B corporations⁴⁴. Founders of these types of businesses aim to be profitable, share profits amongst the worker-owners, and sustain a social mission⁴⁵. There are over 45 employee-owned B corporations. Founders of mission-driven employee-owned businesses often choose the employee-owned path because they trust the worker-owners to sustain the mission beyond the founder's tenure⁴⁶. Cooperative Home Care Associates, the largest worker cooperative in the United States, is a mission-driven B-Corp in New York City⁴⁷. The worker-owners are home healthcare workers. They are primarily Black and Latinx women from low-income communities⁴⁸. The priority of the business is to provide a high-quality care service to the community. In order to do this, the worker-owners are assisted with child care, immigration issues, and other nonwork-related issues⁴⁹. This, coupled with full benefits and a 35-hour work week, Cooperative Home Care Associates has a very low worker turnover rate compared to other businesses in the same industry⁵⁰.

Collective ownership or worker cooperatives are a type of employee ownership where employees distribute equity without having financial responsibility to shareowners.⁵¹ Traditional worker cooperatives are "values-driven" companies and businesses owned and operated by employees democratically⁵². Because worker-owned cooperatives are typically majority-owned by the workers, they have inclusive memberships where each member gets a vote on the organization's direction⁵³. The worker-owners are responsible for voting on wage structures, working conditions, and worker protections. Worker-owned worker cooperatives have existed for many years. Historically, they have been an integral part of community development in marginalized communities acquiring wealth and prosperity because they paid their members wages higher than the national minimum⁵⁴. In some cases, the cooperatives are run by community members and are focused on the community's needs⁵⁵, and provide jobs to community workers who would be considered "unhireable"⁵⁶. Employee-owned businesses have given women, formally incarcerated, and workers of color autonomy and professional and personal growth opportunities⁵⁷. A

successful example is an employee-owned business in Chicago, ChiFresh Kitchen, owned by Black women who have been formally incarcerated⁵⁸. In Los Angeles, Collective REMAKE aims to make worker-owned businesses accessible to formerly incarcerated individuals⁵⁹.

In the United States, worker-owners have some of the highest rates of civic engagement and an overrepresentation of workers of color and women⁶⁰. There is currently no “federal legal category for worker cooperatives in the U.S., which adopt many different legal structures and operational mechanisms”⁶¹(page 8). A 2021 Aspen Institute report outlined some proposed legislation for employee-owned businesses and cooperatives focusing on making federal and state funding easier to apply for, access to education on starting and running an employee-owned business, worker protections, and tax incentives⁶².

Worker-owned cooperatives exist in the digital gig economy. The digital gig economy is where workers offer their services to businesses and organizations that run digital platforms⁶³. Worker-owned platform cooperatives operate like traditional cooperatives; however, business transactions and consumer interactions are exclusively completed through a website or mobile application⁶⁴. Worker-owners also manage employees’ access to their customer base⁶⁵. Platform Cooperatives are similar to investor-funded gig digital platforms, except the workers and customers are the owners of the platform as opposed to outside investors⁶⁶. The platform cooperative has no outside shareholders expecting to profit from the business⁶⁷.

In general, app-based gig work is designed to be temporary on-demand work⁶⁸. Workers can decide when to sign in to the app and work, and the jobs are transacted and coordinated through the digital platform⁶⁹. The platform controls customer access⁷⁰, and customers can request a service through the application. The application will pass the request to the worker⁷¹. Most services are in the transportation and service sectors⁷². In the traditional gig economy, the platform takes a commission on every paid transaction before the worker receives their earned wages⁷³. “Gig jobs” are an attractive option to workers who make low wages because there is a low barrier to entry, and workers can create a flexible schedule⁷⁴.

The benefits of being a part of the digital gig economy include building cutting-edge technology that can connect people worldwide with an internet connection⁷⁵. Advocates of the gig economy believe it is a social good because it has a low barrier of entry and allows for all workers

to participate, regardless of education level. These jobs are meant to be a quick response in times of economic downturn or an answer to job insecurity⁷⁶. The industry makes labor more efficient by matching workers to tasks and customers⁷⁷. Gig workers who see their work as temporary or a means to supplement their incomes reported better mental health and job satisfaction outcomes⁷⁸. The cons of the digital gig economy are that the model hinges on the idea that workers are not formal employees of the companies that own and operate the platforms⁷⁹. The benefits of the gig economy have not been felt equitably between the companies that own the platforms and the seller that use the platforms to do business⁸⁰. In what some would describe as “precarious work,” workers are rarely given opportunities to contribute to their organizations or perform motivating work⁸¹. In the United States, not formally hiring gig workers, workers are ineligible for workers’ rights and protections afforded to them by the federal government. These protections include anti-discrimination protections, the right to unemployment support, and the right to unionize and collective bargaining⁸². Worker base pay is determined by an algorithm that assesses supply and demand⁸³.

Gig Workers v Worker-Owners

Gig workers and worker-owners in the gig economy share two fundamental elements: a digital platform as an intermediary between workers and customers and a temporary work agreement between workers and customers. The significant difference between gig workers and worker-owners in the gig economy is the temporariness of the working arrangements⁸⁴. The distinction lies in the term “Gig worker.” The term “Gig” is intentional as it signifies a nonemployee⁸⁵. The businesses classify workers as self-employed, freelancers, or independent contractors⁸⁶, and gig workers have limited to no power⁸⁷. Classifying gig workers as nonemployees allows stock-holder-backed firms to reduce their financial overhead by not formally employing them⁸⁸. Most gig companies’ business structure does not allow gig workers to access retirement plans or health insurance⁸⁹. The worker-owners in platform cooperatives manage themselves democratically, receive an increased portion of their profits, and enact worker protections⁹⁰. Worker-owners in platform cooperatives work together and vote on base pay and the percent commission that goes back to the cooperative to manage overhead costs⁹¹. Gig workers have no say in their base pay rates and only get paid after the platform has collected commission⁹². The Economic Policy Institute performed a National Survey of Gig workers in the United States. They found that 1 and 7 work-

ers are routinely paid less than the federal minimum wage. Forty percent were unable to pay their monthly bills, and 3 in 5 workers reported losing wages due to technical glitches with the platform⁹³.

So, where do worker-owned platform cooperatives fit in the digital economy when there is a fundamental difference between workers' relationship with the work and the digital platform? Jonas Pentzien (2020) describes platform cooperatives as "a platform co-op is simultaneously three things: a digital platform, a cooperative, and a novel category that derives from the specific combination of both elements."⁹⁴ (page 10). While various world governments have moved to legislate gig platforms, there has been an argument that platform cooperatives need a separate set of policies because there is a concern that platform cooperatives will find it challenging to compete in the digital economy against more prominent and better-financed gig companies⁹⁵. Platform cooperatives live at the crossroad of social activism and capitalism because they attempt to bring social change as an ethical alternative to corporate businesses⁹⁶. Platform cooperatives are a social good because they aim to democratize the capitalistic market to make it fairer⁹⁷. The COVID-19 pandemic saw an increase in employment insecurity for workers in the United States⁹⁸. In the gig economy, gig workers were underemployed and took on the brunt of providing goods and services to others, sheltering in place⁹⁹. Gig workers saw an increase in pay inconsistency, lack of access to personal protective equipment (PPE), and felt their requests for safer working conditions were unacknowledged¹⁰⁰. Due to the lack of countrywide social policies for health care and unemployment packages, underemployed workers suffered worse physical and mental health outcomes¹⁰¹. Currently, gig companies are writing the rules for the digital economy. Platform cooperatives need their standards and policies because of competition with the gig economy and to protect the "cooperative brand from being co-opted by bad actors with little to no investment in the worker-owned cooperative movement.



3.

THE
SOCIAL GOOD
FRAMEWORK

Social Good Framework



(Fig 1.)¹⁰²

There is an opportunity to create a policy framework for platform cooperativism. The basic premise of cooperatives is inclusion, community, and cooperation. While there is a need for a political and legal framework and a technological one, there is also a need for a policy framework created specifically to create social good in a capitalistic system. The social good framework (fig.1) is primarily concerned with widespread access to needed services, improved equity for women and minorities, and improving the environment.¹⁰³ The framework has three trends 1) businesses making meaningful connections for "social profit," 2) using technology in new ways 3) new ways to engage populations in social good¹⁰⁴ (Mor Barak, 2020). These three trends are also present in platform cooperativism. The three trends call back to historical roots in traditional cooperatives while including modern tools, like technology. The social good framework comprises three domains, as well as explicit language for the importance of each domain. Each domain is equally important and interconnects with each other.¹⁰⁵

Three domains of the social good framework (fig 1):

- **Diversity and Inclusion:** This domain goes beyond including a diversity of race, ethnicity, gender, ability, and sexual orientation. It also provides an opportunity for otherwise deemed "unhireable" workers. These

types of workers would include workers who have been incarcerated, immigrant workers, military veterans, etc. It also calls for thoughtful work-group inclusion in order for everyone to feel valued.¹⁰⁶

- **Environmental Justice and Sustainability:** This domain goes beyond being mindful the environment. It ensures that organizations are actively aware of the environmental injustices underserved populations are challenged with and ensures that their business dealings do not add to the issue.¹⁰⁷
- **Peace and Collaboration:** This domain acknowledges that societies must work together to create a peaceful world. This can be simplified to imply that communities worldwide must find common ground and work together for the betterment of society.¹⁰⁸

Theoretical Perspective

Mor Barak specifies that the social good theory is grounded in virtue and social capital theory¹⁰⁹. Virtue theory is based on morality and justice¹¹⁰. In the social good framework, virtue theory focuses on solidarity despite inequalities and unequal power dynamics¹¹¹ (page 319). Social Capital theory refers to the sum of a person's resources or ability to obtain them through social networks.¹¹² The social capital theory focuses on connections, loyalty, and trust; in some capitalistic organizations, social capital is lost to bureaucracy and competition, which can disrupt the organization, and cooperatives need social capital to function.¹¹³ High-quality social capital can afford cooperatives legitimacy in their communities, which is essential for community endorsement and support¹¹⁴. Social capital is also essential for optimal internal dynamics and trust because cooperatives have flat management structures where all workers take on an equal amount of risk¹¹⁵. Cooperatives can only be successful when there is trust in the labor environment. Positive internal dynamics are also optimal for external partnerships and relationships¹¹⁶. Worker-owners in cooperatives also have a higher rate of civic engagement, which leads to stronger partnerships with government entities and community businesses¹¹⁷.

This paper argues that the social good framework lives within the combination of the elements or platform co-op-specific policy. They can create a unified "platform" as the basis for specified best practices and individual standards of operation for each organization. The domains operate in tandem and "spillover" into each other¹¹⁸(page,205). This fluid

nature is another feature of the framework that makes it ideal for a rapidly expanding field. While twenty-nine percent of the digital workforce is in the United States, workers in developing countries see the gig economy as a way to support their families.¹¹⁹ Nevertheless, gig workers outside of the U.S., China, and the United Kingdom will see up to sixty percent less income than their counterparts in “developed countries”¹²⁰ (page 4).

4.

SOCIAL GOOD
AND WORKER-
OWNED
PLATFORM
COOPERATIVES

Diversity and Inclusion

The social good domain for diversity and inclusion can go in several directions. One direction would be making cooperatives open to all prospective worker-owners, regardless of their personal identities or shared customs, beliefs, and values held by members of a group that influences whom they believe they are.¹²¹ Making worker-owned cooperatives more accessible to all prospective workers is needed to create an inclusive environment, which is one where all worker-owners feel valued for who they are and have equitable opportunities to voice their views and opinions.¹²² Workgroup inclusion is crucial to workers feeling valued and positively affects their job performance.¹²³ Inclusive workplaces are especially important to traditionally marginalized groups because they want to be a part of their workgroup while being appreciated for the unique qualities that they bring to the table,¹²⁴ which is essential for self-esteem and job satisfaction,¹²⁵ which detracts from disinterest and free riding in the cooperative. Creating an inclusive environment is not always easy, especially in a cooperative. It requires learning and, in some cases, unlearning certain beliefs. Worker-owned platform cooperatives do not exist within a vacuum; the issues of society (racism, sexism, etc.) can infiltrate the workplace,¹²⁶ and the goal should be to preserve the dignity of all worker-owners.

The second direction would be making government funding and technical support available to worker-owned platform cooperatives owned and operated by marginalized populations. There are women and minority-owned and -led worker-owned platform cooperatives who started their businesses using more low-tech application technology like messaging apps (email and Whatsapp) until they earn enough profit to create their platforms.¹²⁷ While these women are doing their best with what they have, they cannot thrive without consistent outside support from their local government.¹²⁸ Some worker-owned cooperatives are working on learning and educating themselves as best they can by applying for scholarships to study technology and app design.¹²⁹

In Brazil, there is a worker-owned platform cooperative called Senoritas Couriers, a courier company founded and operated by women of color who self-identify as LGBTQIAP+ and are over 40.¹³⁰ They started the company in 2015 to meet a need; there was a high level of unemployment in their communities.¹³¹ They welcome women and diversity and encourage everyone to participate in the running of the business.¹³² They self-describe the organization as “bikes and feminism.”¹³³ They use social media and WhatsApp to connect with their workers and customers while

working to educate themselves in technology.¹³⁴ Their workers must see themselves as owners because they “will start to think in the ways of an owner.”¹³⁵ They focus on empowering their workers and encouraging them to rethink what it means to be a part of a collective,

“We need to understand that this is a collective body one part of the body has pain, other parts feel it as well.. Everyone is free to speak without judgment.. No one communicates in private.” – Aline Os¹³⁶

Like most organizations, Senioritas Couriers was affected by the COVID-19 shutdown.¹³⁷ Because there were few options for work during this time, the cooperative became a much-needed lifeline for the worker-owners.¹³⁸ At the beginning of the pandemic, they received more job requests than they could manage with the number of available couriers.¹³⁹ Their workflow slowed, and many couriers eventually moved on to other employment opportunities.¹⁴⁰

The dominant platforms are notoriously white, male, and middle-aged¹⁴¹. The digital gig economy is designed to be exclusive to women in many ways, but it is ideal for women looking for a flexible schedule¹⁴². Nevertheless, women report feeling unsafe around male customers and their unwanted sexual advances¹⁴³. In the study *Gendering Platform Co-operativism: The Rise of Women-owned Rider Cooperatives in Brazil and Spain* (2022), the authors coined the term “Gendering platform co-operativism” to acknowledge that women are taking an active role in the growing platform cooperative movement but also to indicate that the field is opening up to women to participate.¹⁴⁴ However, they acknowledge that greater systemic structures exist in society and the platform economy, namely race and class divisions.¹⁴⁵ The social good framework could work as a safeguard for leveling the field for people of all marginalized identities to participate and to create an environment where everyone feels safe and included.

Environmental Justice and Sustainability

The social good literature clarifies that the Environmental Justice and Sustainability domain goes “beyond environmental protection and conservation”¹⁴⁶ (page 144). This domain aims to ensure marginalized populations are protected and lead whole lives in clean and safe environments.¹⁴⁷ This domain is a call to action as well as a directive. It is also a domain where worker-owned platform cooperatives can (and do) set

themselves apart from the larger gig companies, whether using bikes instead of cars or assigning workers to deliver to communities closest to their homes¹⁴⁸. Larger gig companies have been under fire for contributing to pollution and low housing stock in many major cities.¹⁴⁹ Lyft and Uber have been under fire recently for increased traffic and pollution in urban areas, and Airbnb has been named as a contributor to the low housing stock in heavy tourist areas.¹⁵⁰ In Los Angeles, California, Airbnb has been linked to what is being called “Tourism Gentrification,” which is when tourists come to a large metropolitan city (like LA) and opt to stay in an Airbnb outside the designated tourist areas.¹⁵¹

In 2016, Fairbnb was created as a worker-owned platform cooperative to disrupt Venice’s home-sharing industry.¹⁵² In their manifesto, they proudly proclaim that they are “Community Powered Tourism.” The platform is owned by a collection of people, including hosts, guests, and community members. Because they are worker and community-owned, they adhere to the one-person vote model.¹⁵³ By joining the collective, cooperative owners agree to adhere to local laws and Fairbnb’s sustainability rules.¹⁵⁴ Most notably, Fairbnb reinvests profits into their local communities¹⁵⁵ As a matter of fact, they donate the booking commission fee that they charge the tourist to a community project.¹⁵⁶ The ultimate goal for the founders of Fairbnb is to engage local communities in activism against unregulated mass tourism in their cities and communities.¹⁵⁷ Businesses focused on sustainability over profitability have better economic outcomes and in some cases, set the bar for business-employee relationships.¹⁵⁸ It helps to ensure that native residents can grow with the community and have an opportunity to work for higher wages.¹⁵⁹

Peace and Collaboration

Just like the other two domains, Peace and Collaboration, is focused on building a fair and just society where intergroup collaboration is encouraged to create a truly “inclusive society” ¹⁶⁰(page 144). Fairbnb is an example of a worker (and community) owned platform cooperative that made peace and collaboration a hallmark of its mission. Instead of pushing communities out, they fully engage local organizations. Interested parties are encouraged to apply to Fairbnb as a group that has identified local projects. Once selected, Fairbnb works with the group to identify and comply with local rules regarding short-term housing in that location.¹⁶¹ For the community to grow economically, the local community has to build up local businesses while attracting outside anchor businesses. There must be a harmonious relationship between the two to co-exist.¹⁶² It is

most adventurous to utilize workers who already live in the area. Workers will have a lower commute time, which is a factor in happiness. Workers can also afford better housing in their communities, encouraging buying homes and continuing to invest in revitalizing their communities.¹⁶³

Drivers Cooperative, a ride-share worker (driver-owned) cooperative in New York City, started in 2020 with 4,700 drivers.¹⁶⁴ As of 2022, Drivers Coop driver-owners were 91% immigrants and made about US\$ 35,000 dollars a year.¹⁶⁵ Initially, Erik Forman, the founder, needed to find a way to compete in the crowded New York City taxi/Uber/Lyft market. He tapped into the community to raise awareness. Erik worked with politicians to hire driver-owners to drive residents of the New York Housing Authority to the polls on election day. He partnered with other cooperatives, like the Cooperative Home Care Associates, to get newly onboarded drivers' experience. Erik also partnered with New York City's "Access-a-Ride" and Non-emergency Medical Transportation services.¹⁶⁶ By doing this, he could reduce the number of services his drivers were competing with while building relationships and a network of transit contracts¹⁶⁷. Over time, as the drivers started earning money, they could switch to the mainstream ride-share market.¹⁶⁸

Erik Forman and Drivers Coop found success quickly and, like Fairbnb, were able to integrate their companies within the fabric of their communities. Although they competed with their larger investor-backed counterparts, both companies have been able to create their lane that includes their communities.

The social good framework is helpful to study the social impact of platform cooperatives by including a clear list of "skills and investments needed to produce social goods efficiently"¹⁶⁹ (p. 206)—namely, diversity-specific funding and support for budding worker-owned cooperatives. Senorita Couriers keeps everything with their business "informal" because there are not any concrete policies around worker-owned platform cooperatives, and they do not have the support to register as a cooperative in Brazil.¹⁷⁰ It is crucial to invest intentionally in growing with communities and not growing out of them. The social good framework also leaves room for government partnerships and interventions. Businesses focused on sustainability over profitability have better economic outcomes and in some cases, set the bar for business-employee relationships¹⁷¹. It helps to ensure that native residents can grow with the community and have an opportunity to work for higher wages.¹⁷²



5.

DISCUSSION

Growth in an environment where toxicity and worker exploitation are rewarded financially can be difficult when an organization wants to adhere to cooperative values. This discussion was an exploratory investigation of how the social good model could be used as a guide or “guard-rail” for platform cooperatives as they begin to grow and start to consider what scaling up would mean for their organization. The three domains are easily measured and attainable but align with the historical foundations of cooperatives. The three domains challenge the current status quo in the gig economy and challenge organizations to rethink their effect on the global community. Most importantly, as illustrated by some of the examples in the report, true worker-owned platform cooperatives are currently operating within the social good framework. It is important to note that many worker-owned platform cooperatives are not interested in direct competition with larger gig businesses. The key is to sustain that mission as they grow or as other platform cooperatives emerge in the market. By prioritizing the dignity and well-being of the worker-owners and their communities, worker-owned platform cooperatives can scale while providing a social good.

In a world that continues to change, shift, and evolve, how is the impact of “goodness” measured? How is the value determined? Platform cooperativism has a unique opportunity to make sizable economic and political changes¹⁷³. The movement is prime to change how business is conducted in the digital economy and highlight the importance of treating workers with dignity and respect. There is an opportunity to create business norms that include fair and inclusive labor practices currently missing from the gig economy. There is a concern that the social justice nature of cooperatives could be lost as the concept of platform and cooperatives expand. The social good framework works as a guide for platform cooperatives and leaves room for organizations to create their lanes. The three domains are easily measured and attainable and align with the historical foundations of cooperatives. Platform cooperatives give workers a voice in their organizations and economic equality. The social good framework will also set platform cooperatives apart from other gig platforms as they strive to compete with privately owned companies.

Platform cooperatives give workers a voice in their organizations and an opportunity for economic equality. Economist Robynn Cox states, “One of the most powerful implications of a theory of social good is its potential to insert into conversations on well-being, which typically focus on economic indicators, the resources needed for the efficient production of social goods and services.”¹⁷⁴(page 206). The theory of social good argues

that human capital, and the skills, investments, and well-being, needed to invest in human capital are valuable. Worker-owned platform cooperatives' greatest asset is its human and social capital, and the social good framework helps cultivate, nurture, and protect human and social capital.

In the conversation about government policies and political buy-in, the narrative focuses on competing with larger gig companies backed by wealthy venture capitalists and technical sustainability.¹⁷⁵ These are essential issues, as are worker-owners and the communities they serve. Within the ongoing conversation around policy to standardize governance structures for platform cooperatives, the ideal social good framework, specifically for platform cooperatives, would look something like fig 2:



(fig.2)

Diversity and Inclusion:

- Platform cooperatives are open to including all perspective worker-owners, regardless of their personal identities.
- Funding support should be available to worker-owned platform cooperatives owned and managed by marginalized groups from the local government.

Environmental Justice and Sustainability

- Platform cooperatives should include the local communities in the execution and development of projects.
- All work and expansion efforts must not displace or expose vulnerable communities to danger or displacement.

Peace and Collaboration

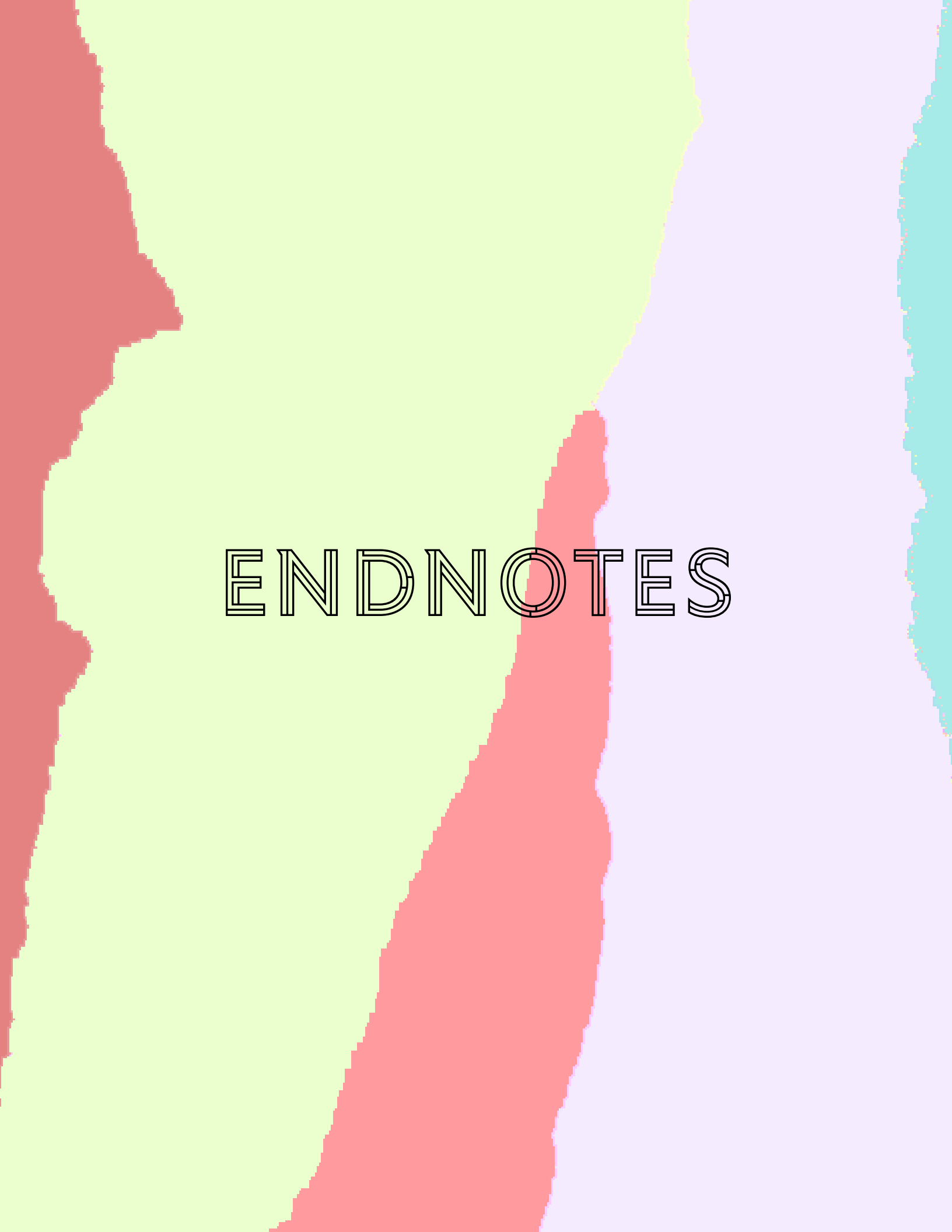
- Platform cooperatives must acknowledge and work within local rules, policies, and codes (including worker protections and fair wage regulations).
- Platform cooperatives work with local communities, governments, and other cooperatives to achieve their goals.

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Fig 2 is just a starting point. These domains are a great place to start on the path to creating classifications and policies for worker-owned platform cooperatives because they address (some, but not all) barriers to entry and success while steering growing businesses away from the controversial trappings of investor-backed gig companies. Most importantly, the domains focus on cultivating and managing social and human capital. The domains also address some of the scaling challenges, namely, finance, education, and training. As conversations continue, the hope is that these domains will grow as the platform cooperative space continues to grow and develop.

Future Directions

The goal of this report is to present an idea and moving forward, academics and practitioners should come together to discuss the implications of including the social good framework in any policy agenda moving forward. More empirical studies should be conducted to strengthen the connection between the social good framework and worker-owned platform cooperatives. In order to do this properly, worker-owned platform cooperatives have to be open to letting researchers have access to their workers and organizational processes. Researchers will need to spend an extended amount of time with platform cooperatives to get a well-rounded idea of the social good they provide to their communities. Several questions remain unanswered. How is the impact of various social economy models being determined? Once platform cooperatives begin to grow and scale their services, will they be able to stay true to their missions and be categorized as a social good? Having a way to determine this value is essential when ensuring oversight and policies that ensure the protection and inclusion of vulnerable and often overlooked groups.



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